



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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May 4, 2000

TO: File

FROM: Tom Munson TM

RE: Mammoth Mine Site Transfer and Reclamation Meeting, Mammoth Mine Site, M023/041, Juab County, Utah

Date of Meeting: April 17, 2000
Location: Division office
Time of Meeting: 9:00 a.m.
Participants: Spenst Hansen and Jason Knowlton, Mammoth Mining Co; Wayne Hedberg, Tom Munson and Mark Mesch, DOGM
Purpose of Meeting: To discuss the transfer and reclamation of mining related disturbance from Grand Central to Mammoth Mining Company

The meeting opened with Mark Mesch stating the goals of the Abandoned Mine Program (AML), how AML could possibly help with the task of mine closure, and how a partnership could be formed between AML and Mammoth Mining Company to help identify and close the hazards in the Tintic area. Mr. Mesch stated that they would provide Mr. Hansen with design specifications and, as such, could also provide technical assistance should questions arise with mine closure. Mr. Mesch provided site inventory forms and is also willing to assist, if possible, with any Mammoth area surveys.

Mr. Hansen estimated that 90 percent of the dangerous mine shafts in the area are on properties other than what they own. He discussed several mines, including the Mammoth Mine, and how the fence surrounding it was falling down. He stated that the Grand Central Mine shaft dates back to Asarco and was created back in the 1930's. He said that it has substantial underground development and is presently fenced and grated. The Centennial/Eureka Mines have four tunnels (constructed pre 1920's), which they did nothing in, but are concerned with the dangerous and deteriorating conditions. Mr. Hansen supplied the Division with a property and patented mining claim ownership map which delineates his property holdings in the Tintic area. He stated that he would be responsible for any disturbance on their property within the boundaries drawn on this map.

Mr. Hansen was also asked who was responsible for, and why the appropriate paperwork had not been filed for a number of unpermitted disturbances that were created during his tenure with Grand Central Silver Mines, Inc. Mr. Hansen told us a little of his proxy fight with Grand Central (which he lost December 1997) and stated he was not in charge of the day-to-day on the ground operations and that he

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was more involved in financing the operations. He stated that the day-to-day operations were controlled by Barry Katona, Bruce Yeomans, Chris Johnson, Casey Ross, Dan Procter and others. He stated that it was just sloppy paperwork on the companies behalf why all the disturbances were not properly permitted beforehand. Mr. Hansen said he would assume full responsibility for all of the mining related disturbances that are located on the private and patented mining claims as acquired from Grand Central Silver Mines, Inc., as part of their December 1997 legal settlement. These lands are outlined on the large scale color-coded topographic property ownership map that we received April 17, 2000, during our meeting with Mr. Hansen and Mr. Knowlton.

Mr. Hansen talked about how difficult it has been to get anyone interested in continuing to develop the valuable mine property he holds in the Tintic area. He stated he had listed the Bullion Beck mine on infomine.com, and has had no hits regarding interest in the property to date.

Mr. Munson asked specifically about roads on his properties and reclamation of these roads. Mr. Hansen stated he did not want to close these roads and felt that they would be developed at some point. He said he would provide us with documentation of his development plans and that exploration roads could not be left open without legitimate uses.

We asked Mr. Hansen about his plans for disposal of the reagents and other chemicals that remain on the site. Mr. Knowlton stated that they have a lab tech in Nevada who is willing to take them, the good with the bad.

Mr. Hansen stated he would be here in Salt Lake City until April 25, 2000, and gave us a phone number at American Towers of 355-6044, where he is staying. He would then be in Florida for his sons graduation, then he plans on returning to Utah shortly thereafter to begin the process of closing the dangerous mine openings and performing the necessary reclamation of associated surface disturbances under permit. He gave us a local fax number (801-355-6041) at American Towers, and another fax number (435-433-5611) at the Mammoth mine.

Mr. Hansen was asked if anyone was using the upgraded residential property at the Mammoth Mine site currently. He said that Jack and Dorothy Kiesel, Jason and Liz Knowlton are presently residing on the property.

At the conclusion of the meeting, the Division stated that we needed to complete the transfer from Grand Central Silver Mines, Inc. to Mammoth Mining Company (Mr. Spenst Hansen). We also requested a thorough assessment of the current mining and exploration related disturbances and what level of reclamation of past disturbances is needed. This inventory task was to be completed by mid May by Mr. Knowlton. A memo would be forthcoming of the site inspections of 4/7/00 and 4/8/00 from the Division.

jb
cc: Spenst Hansen, Mammoth Mining
Jason Knowlton, Mammoth Mining
mammoth-mem